353.410   Gas sale contracts by gas acquisition authority.

(1)   Contracts for the sale of gas from projects or undertakings of a gas acquisition authority shall contain such terms and provisions as the authority determines necessary to provide revenues sufficient to enable the authority to pay its operation, maintenance, and debt service costs. Any municipal utility of the Commonwealth that owns or operates a municipal utility system is hereby authorized to contract to purchase gas from a gas acquisition authority upon such terms as the parties may agree, including full or partial requirements contracts, contracts for the purchase of specified quantities of gas, and contracts requiring minimum payments, regardless of whether gas is made available by the authority or taken by the municipal utility.

(2)   Any gas sale contract between a gas acquisition authority and a municipal utility of the Commonwealth shall provide that the municipal utility shall be obligated to make payments solely from the available revenues and income from the operation of a designated municipal utility, or other revenues when applicable, as an operation and maintenance expense and a cost of purchased natural gas. Neither the full faith and credit nor the taxing power of the municipal utility shall be pledged for the payment of any obligation under any such contract. A municipal utility shall establish, charge, and collect rates and charges for the services provided by its utility facilities sufficient to provide revenues sufficient to meet its obligations under any gas sale contract with an authority and to pay its obligations payable from or constituting a charge against such revenues.

(3)   No municipal utility that purchases gas from a gas acquisition authority shall in any event be liable for the payment of bonds issued by the authority or for the performance by the authority of its contractual obligations in connection with any project.

> **Effective:** July 15, 2008
> **History:**   Created 2008 Ky. Acts ch. 159, sec. 6, effective July 15, 2008.